

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
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DATE: July 14, 2005

PERSONNEL LETTER 05-004
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services DivisionRE: **AUGUST 1, 2004 AND JANUARY 1, 2005 GENERAL SALARY INCREASE FOR
BARGAINING UNIT 18 EMPLOYEES**

The Department of Personnel Administration has issued DPA Pay Letter 05-14 authorizing August 1, 2004 and January 1, 2005 general salary increases (GSI) for rank and file classes in bargaining unit 18. In addition, the Hiring-Above Minimum (HAM) Authorization has been updated to reflect the salary increases.

The GSI will be processed via two Employment History (EH) mass updates or manually for the employees who cannot be included in the mass updates (see below). The GSI rate should be reflected in the appropriate payments issued July 19, 2005 and later for the employees included in the mass update. Also, adjustment payments will be issued for the August 2004 through June 2005 pay periods. See below for additional information.

1. EH MASS UPDATE PROCESSES

Two EH mass updates will be processed. The first will occur on the night of July 15, 2005 (Friday) to post the 08/01/04 effective date GEN transaction. The second will occur on July 16, 2005 (Saturday) to post the 01/01/05 effective date GEN transaction. The GEN transaction will reflect the GSI within the employee's base salary rate and HAM rates will be adjusted when applicable. In addition, out-of-sequence transactions and separations with lump sum extending into the new salary pay periods will be updated via the mass update processes.

One turnaround (TAD) PAR will be issued reflecting both the 08/01/04 and 01/01/05 effective date GEN and associated out-of-sequence transactions. The TAD PARS will be released on a flow basis.

PPSD will manually update the EH records rejected from the mass updates. These records will be processed on a flow basis.

2. PAYROLL ADJUSTMENTS

Adjustments for the first half 08/2004 through second half 06/2005 pay period regular pay payments and regular overtime payments (i.e., non-FLSA overtime pay) that have already been issued will be automatically made once the employees' EH records are updated for the salary

changes. For employees updated via the EH mass updates, the adjustments will be made in the July 18, 2005 payroll cycle (issued dated 07/19/05). In addition, adjustments will be made for holiday pay system generated payments (payment type S, payment type suffix H) within two weeks of the mass update. Employees in the manual update process will have their regular, non-FLSA overtime, and holiday pay system generated rate adjustments issued once their EH records are updated.

Departments will need to request GSI adjustments to FLSA overtime pay (payment type 1, payment suffix F) via the PIP System. See PPM G020-024 and K for further information. Likewise, departments will need to submit Form STD. 674/674D to request adjustments for the following payments that have issued for the August 2004 through June 2005 pay periods.

- Regular pay with dock applied for employees with a mid-month change.
- Regular pay for employees on an alternate work schedule or working a shift and time paid does not equal time possible for the pay period.
- Industrial Disability (IDL).
- Temporary Disability (TD).
- Nonindustrial Disability Leave (NDI) if benefits begin in the 08/2004 or 01/2005 pay periods.
- NDI Annual Leave Supplementation.
- Out-of-class pay.
- Supplemental premium/pay differential pay if the pay rate is based on a percentage of the employee's base salary rate and the employee is receiving a GSI.
- Holiday pay, user-entered rate (payment type S, payment suffix G).

Note: Holiday pay, system generated rate (payment type S, payment type suffix H) will be adjusted by PPSD. No further documentation by a department is required.

3. RETROACTIVITY CHARGES

The transactions as a result of the August 1, 2004 and January 1, 2005 salary changes are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass update should not be reflected on the Monthly Retroactivity Report. The EH transactions, except for the GEN transaction, and payroll transactions that are key entered or initiated by PPSD and departments will appear on the department's report. The department can return the report identifying the items associated with the August 1, 2004 and January 1, 2005 salary changes along with the appropriate explanation.

4. TELEPHONE CONTACTS

Questions regarding the salary changes and EH/payroll processing information can be directed as follows:

<u>SUBJECT AREA</u>	<u>CONTACT</u>	<u>TELEPHONE NUMBER</u>
Salary Program	DPA	(916) 323-3343
EH Procedures	Personnel Operations Liaison Staff	Call (916) 322-6500 to identify the appropriate liaison representative
Disability Procedures	Disability Liaison Unit	(916) 322-3619
General Payroll Procedures	Payroll Liaison Unit	(916) 323-3081
JRH:JLD:PMAB		